

BUDGET MESSAGE

June 9, 2003

To the Honorable, The City Council
and the residents and taxpayers of Cambridge:

I herewith present to you the FY2004 operating and capital budgets for the City of Cambridge approved by the City Council on June 9, 2003 as well as the five year Capital Plan. The adopted operating budget for the City is \$341 471 082, an increase of \$177 415 over my original submission. This increase includes funding to the Department of Human Services budget to restore a Longfellow Community School Director position (\$59 915), which was not included in my submitted budget as well as \$117 500 in additional contractual services to support initiatives in the Area 4 neighborhood. This amount includes funding for a half-time Community Liaison, Street Worker services focusing on older youth and young adults and support for an Area 4 Community Pride Day. These additions are funded through property tax revenues.

The adopted operating budget of \$341 471 082 represents an increase of \$8 079 904 or a 2.4% increase over the FY03 adjusted budget. The budget increase is largely attributable to a 1% salary increase for employees, a 10% increase in employee health insurance, a 1.8% increase in employee pension costs, a 1.1% increase in school spending and a Debt Service increase of 10.2%.

In keeping with the practice of recent years, the adopted FY04 budget closely links the operating and capital expenditure plans with priorities established by the City Council. While I encourage readers to review each budget section in detail, the submitted budget message on page I-3 highlights the approved spending plan to implement City Council priorities.

By being cognizant of our financial limitations and working together, I am confident that we can continue to provide the wide array of services that our residents have come to expect, while at the same time ensure that those who follow us will be able to enjoy the high quality public facilities and financial resources that help to define the Cambridge of today.

I would like to thank the citizens of Cambridge, its employees and the distinguished members of the City Council for their dedication and commitment in keeping Cambridge a vibrant and hospitable City for its residents and visitors.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", written in a cursive style.

Robert W. Healy
City Manager

SUMMARY: OPERATING BUDGET (all funds)

FY02 ACTUAL	FY03 PROJECTED	PROGRAM EXPENDITURES	FY04 BUDGET
27 603 968	28 530 515	General Government	33 775 375
70 598 133	73 650 760	Public Safety	74 090 995
57 716 447	63 393 585	Community Maintenance & Development	65 600 595
18 244 046	19 372 835	Human Resource Development	19 607 265
112 563 834	116 562 345	Education	117 872 457
<u>28 018 936</u>	<u>29 721 125</u>	Intergovernmental	<u>30 524 395</u>
314 745 364	331 231 165		341 471 082

FINANCING PLAN	FY04 BUDGET
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Taxes	219 278 820
Licenses & Permits	5 525 860
Fines & Forfeits	7 929 150
Charges for Service	52 458 415
Intergovernmental Revenue	48 428 262
Miscellaneous Revenue	<u>7 850 575</u>
	341 471 082

BUDGET MESSAGE

May 12, 2003

To the Honorable, the City Council
and the residents and taxpayers of Cambridge:

I herewith submit for your consideration the proposed FY04 Operating and Capital Budgets for the City of Cambridge, as well as the proposed FY05 - 08 Capital Plan. The proposed operating budget of \$341 293 667 represents an increase of \$7 902 489 or a 2.4% increase over the FY03 adjusted budget. The budget increase is largely attributable to a 1% salary increase for employees, a 10% increase in employee health insurance, a 1.8% increase in employee pension costs, a 1.1% increase in school spending and a Debt Service increase of 10.2%.

The preparation of the FY04 spending plan was made difficult by the uncertainty over the level of state aid funding to the City. During this budget process, there were three proposed cherry sheet revenue allocation plans that the City considered. This budget uses the cherry sheet allocations provided in the House Ways and Means Committee state budget recommendation. This means that the City will lose a total of \$6 900 000 in cherry sheet revenues since the setting of the FY03 tax rate. However, the net loss in cherry sheet revenues is \$5 200 000 due to receiving delayed school construction payments of \$1 700 000 for the Aggasiz and Haggerty Schools in FY04. The spending plan, as submitted, including non-budget items such as overlay reserve, calls for a tax levy of \$210 375 563, a \$12 655 018 or 6.4% increase. It should be noted that without the reduction in state aid, the property tax increase would be 3.8%. However, as the City Council is aware, the actual tax levy is determined annually in the fall as part of the tax rate setting process. The actual tax levy amount may differ from above, pending final state aid allocations to Cambridge that will not be known until the state budget is approved later in the spring or early summer of this year. It should be noted that the City's excess tax levy capacity is projected to be approximately \$36 million for FY04.

I am also recommending that a \$1 000 000 appropriation to the stabilization fund be made in FY04 to supplement the existing balance of \$6.8 million. A portion of this balance will be used annually for the next three years to help offset debt service payments for major tax supported projects scheduled for the next three to five years. These potential projects include: Main Library construction, Police Station construction, Harvard Square and Porter Square enhancements, Cambridge Street improvements, Yerxa Road Underpass project and Russell and Donnelly Field improvements. The purpose of using the stabilization fund is to lessen the impact of property tax increases in future years as the City expects to face state aid reductions while trying to maintain an aggressive capital projects program.

The FY04 proposed Capital Budget totals \$66 495 110, an increase of \$37 059 325 from the previous year. This significant increase is largely due to a recommended appropriation of \$33 620 000 in bond proceeds for extensive improvements to the Cambridge Rindge and Latin School (CRLS) which are eligible for School Building Assistance (SBA) reimbursement if the project application is submitted prior to the end of this fiscal year. The continuation of the School Building Assistance program in future years, including the reimbursement level to communities, is unclear due to the current state budget crisis. Therefore, although the bond authorization is being recommended as part of the SBA application process, the CRLS project would not begin until state reimbursement is received by the City. If this appropriation were not included in the FY04 Capital Budget, the total Capital Budget would be \$32 875 110, an increase of \$3 439 325, or 11.7%, from FY03. However, the portion of the FY04 Capital Budget that is funded through a combination of property taxes and free cash has been reduced from its FY03 level of \$6 085 000 to \$3 725 000, a decrease of \$2 360 000 or 38%.

Not yet included in the proposed budget are funds from the Community Preservation Act (CPA) surcharge. The Community Preservation Fund Committee will be making their recommendations on the use of the funds, approximately \$4 800 000, during the upcoming months. The CPA funds may only be used for certain affordable housing, open space and historic preservation purposes. In addition to the CPA funds raised locally, the City could receive approximately \$5 000 000 in state matching funds to be made available in October 2003. However, as more cities and towns adopt the CPA, the state matching funds available to each community may decline from the estimated amounts. A recommendation for the appropriation of all CPA funds received will be made by the Community Preservation Fund Committee and forwarded to the City Council for appropriation in the coming months. It should be noted that the City Council has already appropriated \$13 500 000 from CPA revenues and state matching funds.

During better economic times, the City was able to build reserve fund balances and increase excess levy capacity in anticipation of future economic downturns that are inevitable. However, the size and scope of the current state budget crisis and the resulting reductions in state aid to cities and towns could not have been predicted. While the FY04 budget maintains the current level of services with a modest increase in property taxes, we must always be cognizant of the impact of property tax increases on residential and commercial taxpayers. Therefore, this budget contains a reduction of 22 full-time positions (excluding schools) in various departments. The departments that reflect reductions in positions include: Executive (1), Law Office (1), Traffic, Parking and Transportation (1), Electrical (1), Public Works (3), Water (2), Community Development (3), Human Services (5), Fire (2) and Police (3). It should be noted that two firefighter and two patrol officer positions have not been funded in FY04. However, the position numbers have been placed in reserve subject to available funding which will allow them to be restored in the future. Two Community Schools Director positions have been reduced from the Human Services Budget as a result of the closing of two elementary school buildings as part of the School Consolidation Plan recently approved by the School Committee. For additional information on the other position reductions, please refer to the Position List on page II-33.

In keeping with the practice of recent years, the proposed FY04 budget closely links the operating and capital expenditure plans with priorities established by the City Council. While I encourage readers to review each department's budget in detail, the following section highlights the proposed spending plan to implement City Council priorities.

INTEGRATING CITY COUNCIL PRIORITIES WITH THE PROPOSED BUDGET

- **PROVIDE HIGH QUALITY ONGOING SERVICES TO RESIDENTS, IMPROVE ACCESS TO SERVICES, AND INCREASE OPPORTUNITIES FOR PUBLIC PARTICIPATION IN LOCAL GOVERNMENT**

Despite the economic slowdown and the reduction in state aid, the proposed budget continues the City's long practice of providing high quality service delivery to our citizens. While the proposed spending plan calls for a 6.4% increase in property taxes (3.8% without the reduction in state aid) it is conservatively estimated that taxes paid by owners of property new to the tax rolls are expected to cover 60% of the tax levy increase resulting in a net tax levy increase of just over 2%. Additionally, the City's excess tax levy capacity, an extremely important indication of the City's financial health, is projected to be approximately \$36 000 000 for FY04, which is similar to last year subject to final levels of state aid and new construction assessments. Cambridge continues to have the largest excess levy capacity in the Commonwealth. Our continued strong financial position has allowed us to endure state aid cuts while maintaining our high levels of service delivery. By continuing the fiscal policies adopted by the City Council, which include maintaining the City's positive reserves and free cash balances, the City should be able to deal with future state aid reductions and other economic challenges in a responsible fashion that will result in a limited impact on our service delivery. **Cambridge's ability to maintain services in these difficult economic times makes us unique in the Commonwealth.**

In addition, the FY04 Budget provides resources in support of this goal:

- The capital budget contains \$100 000 for the building improvements to the existing Police Station and improved technology, as well as \$350 000 for the replacement of a pumper fire truck and building repairs at the Engine Company 9 (Lexington Avenue) Station.
- \$265 000 has been allocated for further improvements to the City's Web site, including enhancements to the GIS system. This continues the effort to improve the site's navigation and usability for residents, businesses, and visitors. In fact, the City's Web site received recognition from the Massachusetts Interactive Media Council and was selected as a Best Web Site finalist by the Massachusetts Municipal Association for Best Practices in Web Development.
- The FY04 Budget includes funding to continue to enhance the online versions of the City Council Hearing Schedule and Agenda and the City Manager's Agenda. Improvements to date include a new and easy way to use the search feature and a printer friendly version that enables users to print only the documents they need. In addition, all new meeting documents are being stored in a database that will strengthen search results as the database expands.
- The FY04 Operating Budget for the Sewer Division in the Public Works budget is \$1.8 million and supports the maintenance and repairs of the City's wastewater collection system. An important part of the division's duties is to meet with citizen groups and individual homeowners to advise them on methods to avoid damaging back-ups. Funds have been included in the FY04 Capital

Budget to continue the reconstruction of the City's sewer and surface drainage system in the amount of \$9 069 865. Projects included in this program are funded through a combination of MWRA Grant funds as well as general obligation bonds and current sewer revenues. It is expected that work will continue in the Fresh Pond/Alewife, Agassiz, Cambridgeport, Bellis Circle and Harvard Square areas.

- The FY04 Operating Budget for the Water Department is \$16.8 million and supports the municipally owned and operated water utility distribution system serving the citizens of Cambridge. A capital budget allocation of \$5.3 million from current water service revenues and additional bonding from the Water Fund will support continued improvements to the water system. This includes funding for the installation of water mains, improvements and repairs to the distribution system, and implementation of the Fresh Pond Master Plan. In addition, funds have been provided for the replacement of old meters with new meters as part of the installation of an Automatic Meter Reading (AMR) system that will eliminate estimated water usage reads and significantly improve customer service while enhancing revenue collections. This project will be implemented over a two-year period.
- **PRESERVE AND EXPAND THE SUPPLY OF PERMANENT AFFORDABLE HOUSING, SUPPORTING SOCIOECONOMIC DIVERSITY**

With the voter's acceptance of the Community Preservation Act (CPA) surcharge, the City's affordable housing program is now funded by a portion of the proceeds from the 3% property tax surcharge levied under the CPA. It should be noted that CPA funds may only be used for certain affordable housing, open space and historic preservation purposes. In addition, the City receives a matching amount from the state. Since these funds are deposited into trust funds established for the three CPA purposes, there are no direct allocations contained in this budget document. However, approximately \$4 900 000 in revenues from this source were received in FY02. Of this total, \$4.5 million was appropriated and allocated as follows: \$3 600 000 was allocated to housing, \$450 000 to open space and \$450 000 to historical preservation, with the remainder to be distributed. In addition, FY03 CPA revenues of approximately \$5 000 000 will be combined with state matching funds of \$5 032 000 (as a match for FY02 CPA tax revenues) for a total revenue of \$10 032 000, with \$9 000 000 of this amount appropriated as follows: housing (\$7 200 000), open space (\$900 000) and historical preservation (\$900 000), with the remainder to be distributed. It should be noted that the City Council has already appropriated \$13 500 000 from CPA revenues and state matching funds.

The Community Preservation Fund Committee will be making their recommendations on the use of the FY04 CPA revenues of approximately \$4 800 000 during the upcoming months. In addition to the CPA funds raised locally, the City projects approximately \$5 000 000 in state matching funds to be made available in October 2003. However, as more cities and towns accept the CPA, state matching funds may decline from the estimated amount. Appropriation of these funds, as well additional funds received in FY02 and FY03, will be recommended by the Community Preservation Fund Committee. This recommendation will then be forwarded to the City Council for appropriation in the coming months.

The City, through its prior budget allocations to the Affordable Housing Trust and its current allocations through the CPA, has created or preserved approximately 2000 units of affordable housing since the end of rent control.

The FY04 operating budget for Housing contained in the Community Development Budget is \$560 945, an amount which promotes and finances the development of affordable rental and home ownership housing. The FY04 Capital Budget contains continued funding for Housing Rehab and Development Programs in the amount of \$1 682 880. This funding, which is combined with funds from the HOME program, Affordable Housing Trust Fund and other public and private sources, finances renovations to existing housing units and the development of new ones for low and moderate income Cambridge residents.

- **STRENGTHEN AND SUPPORT PUBLIC EDUCATION AND OTHER LEARNING IN CAMBRIDGE FOR THE BENEFIT OF RESIDENTS OF ALL AGES**

The proposed FY04 budget contains a recommended School Budget of \$117 872 457, an increase of \$1 310 112 or 1.1% over the current year. Property tax support of the School budget has increased by 3% or \$2.6 million in FY04. Also, the City is projecting a 20% reduction in Chapter 70 school aid and the elimination of School Transportation reimbursements and Class Size Reduction support. The total of these reductions in school related revenues totals approximately \$2.4 million. The School operating budget represents 34% of the total City budget.

A major, although very difficult, accomplishment of the School Department in preparing for this budget has been the adoption of an Elementary School Consolidation Plan. The Plan, recommended by the school administration and adopted by the School Committee in early April 2003, has reduced the number of elementary schools from 15 to 12, and has closed two buildings, beginning in September 2003 and has significantly reduced the number of vacant seats, which was estimated at approximately 2 000. The Plan has resulted in an estimated savings of \$4.3 million, which was applied to this budget. In addition, the School budget contains internal reallocations, totaling approximately \$0.9 million, which have substantially increased School Improvement Plan funding to the remaining schools, as well as the implementation of the Special Education Plan and the Rindge School of Technical Arts (RSTA) Plan. In addition, reallocations of approximately \$1.8 million in one-time costs were made to support the transition and implementation of the Consolidation Plan. Through this Consolidation Plan, the School Department has substantially decreased the number of vacant classroom seats and has responded to a several-year trend of declining enrollment.

Current revenues of \$700 000 have been allocated to the School capital budget to continue ongoing improvements to elementary schools, including \$200 000 to provide support for various facilities improvements relating to the Elementary School Consolidation Plan. As noted earlier, the capital budget contains an appropriation of \$33 620 000 in bond proceeds for extensive improvements to the Cambridge Rindge and Latin School (CRLS) which are eligible for School Building Assistance (SBA) reimbursement if the project application is submitted prior to the end of this fiscal year. However, it should be noted that the CRLS project would not begin until state reimbursement is secured.

In addition to the recommended funds for the School Department, the City's operating budget continues to fund (through the Department of Human Services (DHSP)) the Community Schools, Recreation, Youth, and Childcare Programs, all of which provide additional educational benefits to the children of Cambridge. The total budget for these programs is \$6.6 million, out of a \$13.5 million DHSP budget.

- **FOSTER COMMUNITY. SUPPORT OPPORTUNITIES FOR CITIZENS TO KNOW EACH OTHER WITHIN THEIR NEIGHBORHOODS AND ACROSS THE CITY & SUPPORT NEIGHBORHOOD PRESERVATION AND ENHANCEMENT**

The proposed FY04 Operating Budget continues to support and maintain the venues in which citizens have the opportunity to know each other within neighborhoods and across the City. This includes support for two senior centers, youth programs, five youth centers, youth leagues, arts gatherings, public celebrations and events, library programs and branches, community policing and outreach programs, the City's golf course and the scores of parks and play areas located throughout the City. The support for these activities and facilities also contributes to the preservation and enhancement of neighborhoods at the same time. In addition, a network of neighborhood health centers, community schools and fire stations is supported in this budget and contributes to this goal.

Other initiatives include the following:

- The FY04 Police Department budget of \$30 million in addition to providing law enforcement services, supports many community and neighborhood efforts that include: offering a Rape Aggression Defense Program to residents; awarding 40 community partnership mini-block grants to community groups for participating in events such as neighborhood clean-ups; funding for beautification projects; neighborhood walks and block parties; coordinating the Department's Annual Open House; co-sponsoring an annual Family Safety Day with the Galleria Mall; and conducting various community meetings.
- The FY04 budget for the six Branch Libraries totals \$1.5 million and provides neighborhood-based services, especially to children and their families. The current fiscal year has seen increased circulation at the O'Connell, Central Square and Collins Branch Libraries.
- Continued funding for the Tree Pruning Program in City-managed open spaces such as Columbia Park, Corporal Burns Playground and Longfellow Park.
- Funding of \$125 000 to complete Phase Two of the Concord Alewife Planning Study. Phase One included an assessment of the study area, development of goals and vision for the area including a preliminary plan. Phase Two will refine the initial plan with an implementation strategy that will include zoning and non-zoning recommendations.

- Funding through the capital budget to complete the Yerxa Road Underpass (\$4 450 000), which will connect the residential areas of Walden Square and Richdale Avenue with community facilities in the Rindge Avenue area, including the Fitzgerald School, McMath Park and the Gately Youth Shelter.
- Funding through the capital budget to provide resources to support park and recreation facility improvements/maintenance at various locations, including Gore Street Park, Danehy Park, Moore Youth Center, Dana Park, and the Fresh Pond Golf Course (\$670 090).
- Allocation of \$4 million in bond proceeds to finance the construction of the Russell Field renovation plan as well as \$1.25 million for Donnelly Field renovations.
- Funds have been included in the Historical Commission budget to complete the East Cambridge Oral History Project with the sale of books scheduled in early FY05.
- The Arts Council's Public Art Conservation and Maintenance Program continues to be level funded at \$35 000, and capital projects have been budgeted to include the 1% for Arts allocation.
- **FOSTER CREATIVE APPROACHES TO TRAFFIC, PARKING AND TRANSPORTATION NEEDS OF RESIDENTS AND BUSINESSES**

The Traffic, Parking & Transportation Department, which is responsible for ensuring that the City's street system is safe for vehicular and non-vehicular use through parking regulations, meters, traffic signals and signs, crosswalks, bicycle facilities and pavement markings, has a proposed FY04 Budget of \$7.6 million. In addition, the Environmental and Transportation Division (\$844 215) of the Community Development Department is responsible for improving the City's quality of life and working environment by managing the design and improvement of transportation systems to facilitate all modes of transportation.

The FY04 proposed capital budget includes \$525 000 for miscellaneous traffic calming improvements. In addition, \$500 000 has been allocated for parking improvements that include the installation of new traffic signals and parking meters. This is an increase of \$160 000 from FY03.

Funding for the FY04 Street and Sidewalk Reconstruction Program (\$2.4 million) has been substantially maintained due to a large increase from FY03 in the estimated amount of Chapter 90 funds received. Streets and sidewalks proposed for reconstruction will include truck route streets and neighborhood streets that have experienced significant construction activity over the past number of years. In addition, \$60 000 has been allocated to the Cambridgeport Roadways project for construction related design services to supplement construction oversight services provided by Mass Highway. In addition, a \$50 000 allocation for accessibility

improvements is being recommended to construct a new fully accessible main entrance and restroom facilities at the Collins Branch Library.

- **MAXIMIZE THE BENEFITS OF NEW AND EXISTING ECONOMIC DEVELOPMENT AND UNIVERSITY ACTIVITIES TO IMPROVE THE LIFE OF THE CITY**

As we have witnessed in the last two years, without new economic development, the City would be forced to reduce services and/or increase taxes to the Proposition 2 ½ limit in future years. As we continue to function within the confines of Proposition 2 ½ it is imperative that we respond to the current economy and optimize opportunities for our community. To this end, the City anticipates concluding negotiations with Harvard University regarding a new in-lieu-of-tax payment agreement as well as a first time written agreement with the Massachusetts Institute of Technology before the end of the first quarter of FY04.

The Economic and Employment Planning Division within the Community Development Department has a recommended FY04 Budget of \$340 910. This division focuses on supporting entrepreneurship by providing a broad range of services to assist small businesses, monitoring changes in the job base to maintain a diversified employment base, helping growing companies get access to capital through loans and referrals, monitoring changes in the real estate market, maintaining thriving commercial districts and promoting a healthy business climate. The City continues to sponsor the Retail Best Practices Program, which is funded through Block Grant and City resources. The program offers support to smaller businesses and retail outlets by offering workshops and providing support services covering a range of topics, including visual merchandizing and marketing enhancements among others, with the goal of fostering small business growth in the City.

The Capital Budget provides \$50 000 in funding to support the Cambridge Business Development Center, which provides educational workshops and programs to low and moderate income micro-enterprises, including start-up and developing businesses.

The proposed FY04 Budget continues to support development of public/private partnerships and training opportunities geared toward the new economy through the Office of Workforce Development (\$1 327 905) included in the Human Services budget. The Office does this by continuing employment and training opportunities for Cambridge adult and youth residents; and by assessing and responding to the unmet needs of the local workforce and employers through forging alliances among employers, community-based organizations, the schools and post-secondary educational institutions, and providing research and development services to them.

The Employment Program Fund (\$350 000) continues to finance the Just-A-Start Rehabilitation Assistance Program, which trains and employs Cambridge youths and provides a range of low-cost housing rehabilitation, energy conservation, and de-leading services throughout Cambridge in conjunction with the Cambridge Housing Authority.

OUTLOOK AND CONCLUSION


While Cambridge is not immune to the current economic downturn, our enviably strong financial condition has left us better prepared to deal with slowed local revenue growth and cuts in state aid. This is partially evidenced by the fact that the submitted FY04 Budget maintains both City and School services. The City's strong economic development program has bolstered the local tax base, making the City financially strong and far less dependent on state aid than most Massachusetts cities. The sound financial practices of this and previous City Councils has left the City with substantial reserves and approximately \$36 million in excess levy capacity that allows Cambridge the flexibility to respond to cuts in state aid. However, our financial strength and independence should not allow us to ignore the fact that the Commonwealth is a vital financial partner in the delivery of our services. In FY04, state aid will total approximately \$38 million, roughly 11% of our total budget. While Cambridge is in the position to absorb reductions in state aid this year and last year, additional large reductions would soon have an impact upon the City's finances. We will continue our strategy to look at the overall finances of the City in the long-term in order to maintain stability and predictability in our budgeting and financial planning processes.

In addition to the threat that reduced state aid brings to our financial well being, we must also be conscious of the fact that our ambitious Capital Improvement Plan calls for the issuance of a significant amount of tax supported debt over the next five years. This is why my recommendation of the \$1 000 000 appropriation to the Stabilization Fund is so important. A portion of the total balance of \$7.8 million (which includes the \$1.0 million addition) will be used annually for the next three years, beginning in FY05, to help offset debt service payments for major tax supported projects scheduled for the next three to five years. Overall, the additional bonding amounts, although high, do not pose a problem unless we become complacent and fail to control the growth of our operating budget.

Finally as we work through these challenging financial times we must remember that failure to make difficult decisions today will lead to even more difficult decisions in the future. This includes being mindful that increases in the property tax levy must be modest so as not to overburden our residential and commercial taxpayers. This has been key to our economic growth and stability.

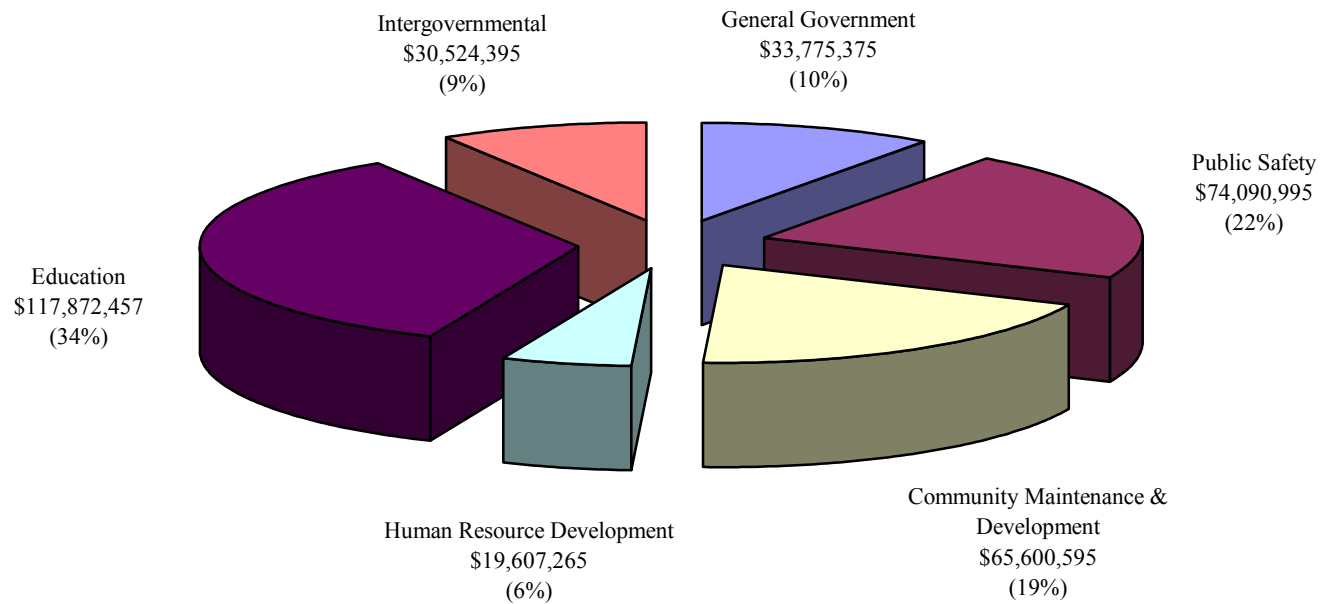
By being cognizant of our financial limitations and working together, I am confident that we can continue to provide the wide array of services that our residents have come to expect, while at the same time ensure that those who follow us will be able to enjoy the high quality public facilities and financial resources that help to define the Cambridge of today.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", written in a cursive style.

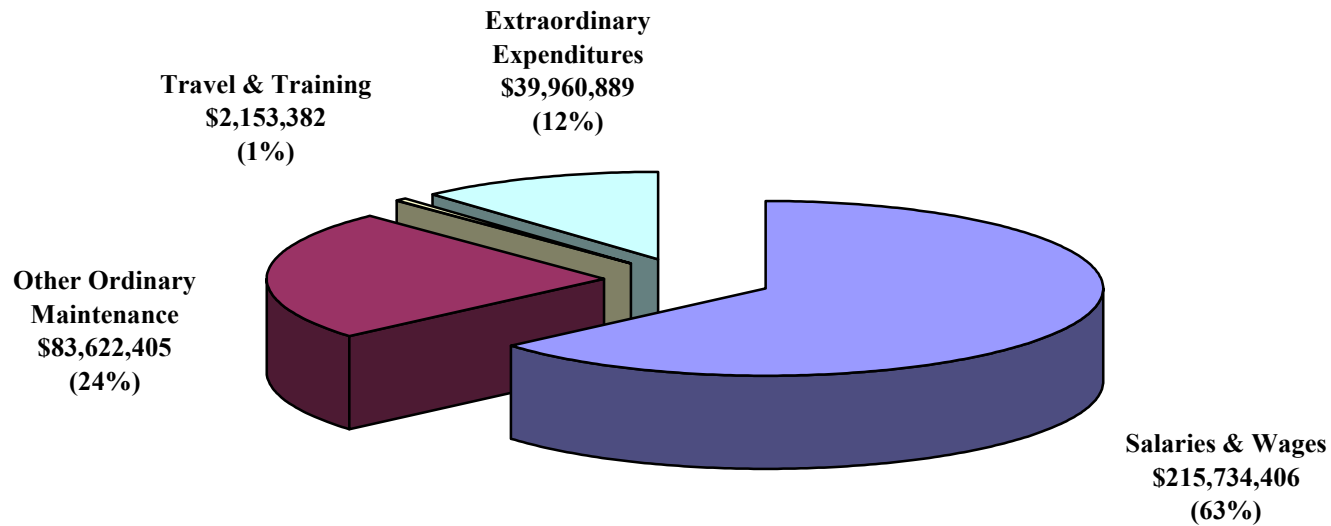
Robert W. Healy
City Manager

APPROPRIATION BY FUNCTION



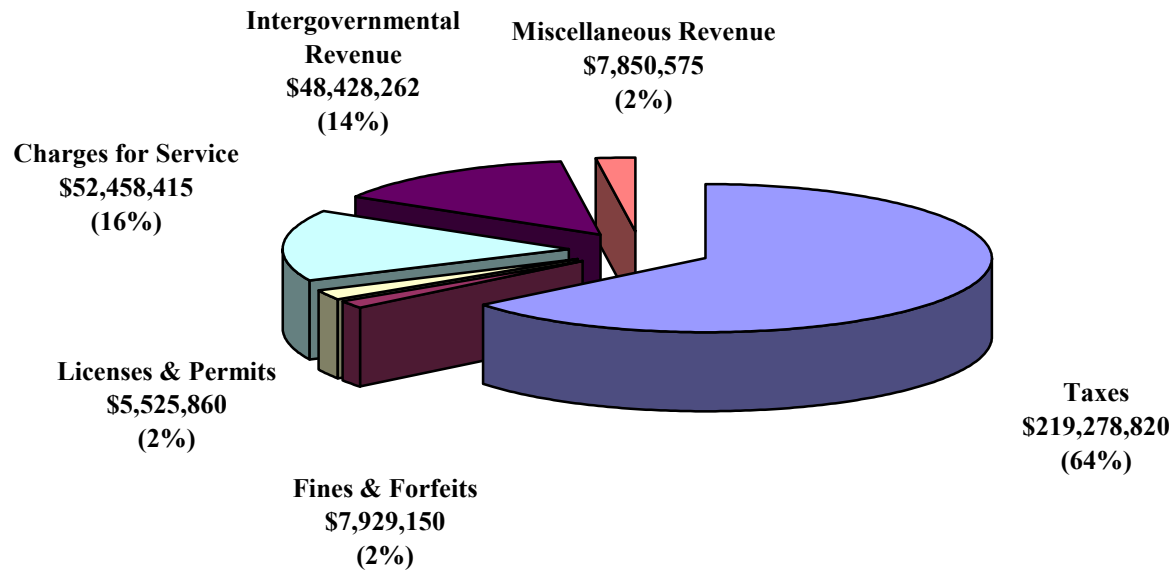
TOTAL BUDGET \$341,471,082

APPROPRIATION BY STATUTORY CATEGORY



TOTAL BUDGET \$341,471,082

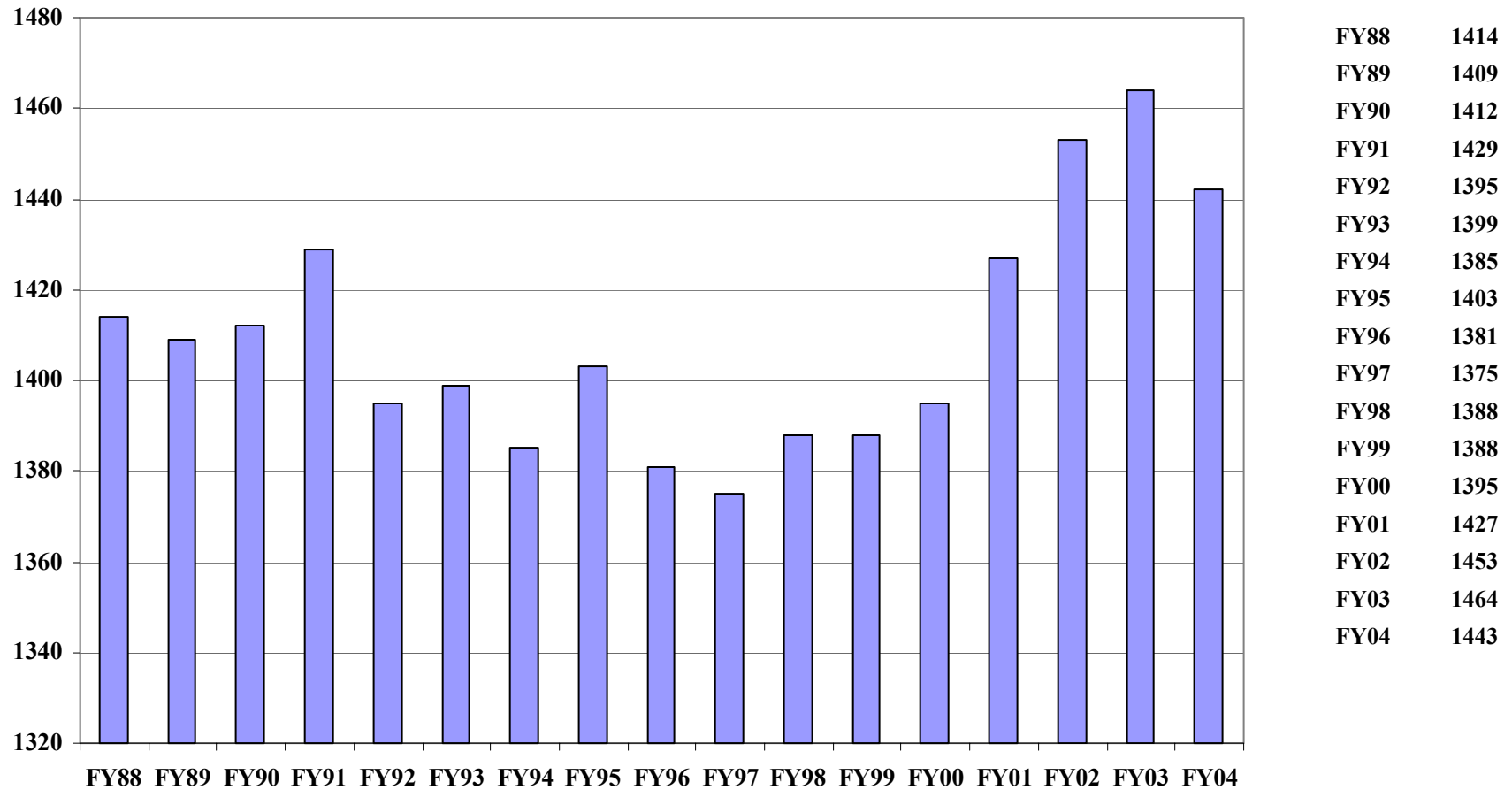
REVENUE BY SOURCE



TOTAL BUDGET \$341,471,082

POSITION LIST COMPARISON

Excluding Schools



Only Full Time Positions Are Included in This Chart

SUMMARY: OPERATING BUDGET (all funds)

FY02 ACTUAL	FY03 PROJECTED	PROGRAM EXPENDITURES	FY04 BUDGET
27 603 968	28 530 515	General Government	33 775 375
70 598 133	73 650 760	Public Safety	74 090 995
57 716 447	63 393 585	Community Maintenance & Development	65 600 595
18 244 046	19 372 835	Human Resource Development	19 607 265
112 563 834	116 562 345	Education	117 872 457
<u>28 018 936</u>	<u>29 721 125</u>	Intergovernmental	<u>30 524 395</u>
314 745 364	331 231 165		341 471 082

FINANCING PLAN	FY04 BUDGET
Taxes	219 278 820
Licenses & Permits	5 525 860
Fines & Forfeits	7 929 150
Charges for Service	52 458 415
Intergovernmental Revenue	48 428 262
Miscellaneous Revenue	<u>7 850 575</u>
	341 471 082

SUMMARY: GENERAL GOVERNMENT

FY02 ACTUAL	FY03 PROJECTED	PROGRAM EXPENDITURES	FY04 BUDGET
391 875	437 730	Mayor	430 875
1 589 289	1 302 450	Executive	1 286 685
881 995	916 345	City Council	927 460
622 987	676 665	City Clerk	671 930
1 862 159	2 489 810	Law	1 719 545
7 570 569	8 024 085	Finance	8 247 735
12 488 160	12 319 720	Employee Benefits	18 096 355
861 852	958 130	General Services	957 530
690 588	726 980	Election	739 735
644 494	678 600	Public Celebrations	660 025
		Reserve	37 500
<u>27 603 968</u>	<u>28 530 515</u>		<u>33 775 375</u>

FINANCING PLAN	FY04 BUDGET
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Taxes	20 134 665
Licenses & Permits	31 500
Fines & Forfeits	281 500
Charges for Service	642 250
Intergovernmental Revenue	7 175 460
Miscellaneous Revenue	5 510 000
	<u>33 775 375</u>

SUMMARY: PUBLIC SAFETY

FY02 ACTUAL	FY03 PROJECTED	PROGRAM EXPENDITURES	FY04 BUDGET
192 128	212 595	Animal Commission	216 630
26 291 507	27 647 530	Fire	27 793 130
28 573 503	29 509 565	Police	29 965 940
7 281 428	7 735 035	Traffic, Parking & Transportation	7 636 345
73 021	66 105	Police Review & Advisory Board	75 290
2 054 461	2 169 375	Inspectional Services	2 185 985
651 974	682 245	License	684 975
94 617	92 445	Weights & Measures	94 415
2 355 503	2 346 890	Electrical	2 363 110
117 582	137 750	Emergency Management	129 865
<u>2 912 409</u>	<u>3 051 225</u>	Emergency Communications	<u>2 945 310</u>
70 598 133	73 650 760		74 090 995

FINANCING PLAN	FY04 BUDGET
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Taxes	51 801 865
Licenses & Permits	5 389 360
Fines & Forfeits	7 290 775
Charges for Service	5 420 970
Intergovernmental Revenue	2 611 280
Miscellaneous Revenue	<u>1 576 745</u>
	74 090 995

SUMMARY: COMMUNITY MAINTENANCE & DEVELOPMENT

FY02 ACTUAL	FY03 PROJECTED	PROGRAM EXPENDITURES	FY04 BUDGET
20 467 986	21 848 950	Public Works	21 576 900
15 570 789	16 804 735	Water	16 759 655
4 008 037	4 251 410	Community Development	4 275 725
439 531	395 780	Historical	421 440
46 152	64 780	Conservation	87 925
74 369	72 290	Peace Commission	73 380
720 949	882 580	Cable T.V.	942 755
<u>16 388 634</u>	<u>19 073 060</u>	Debt Service	<u>21 462 815</u>
57 716 447	63 393 585		65 600 595

FINANCING PLAN	FY04 BUDGET
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Taxes	27 853 905
Licenses & Permits	105 000
Fines & Forfeits	171 875
Charges for Service	27 538 750
Intergovernmental Revenue	9 467 235
Miscellaneous Revenue	<u>463 830</u>
	65 600 595

SUMMARY: HUMAN RESOURCE DEVELOPMENT

FY02 ACTUAL	FY03 PROJECTED	PROGRAM EXPENDITURES	FY04 BUDGET
4 732 248	5 029 455	Library	5 100 920
12 805 709	13 554 090	Human Services	13 719 885
142 677	145 860	Women's Commission	148 860
133 358	151 995	Human Rights Commission	152 140
<u>430 054</u>	<u>491 435</u>	Veterans	<u>485 460</u>
18 244 046	19 372 835		19 607 265

FINANCING PLAN	FY04 BUDGET
Taxes	15 717 760
Fines & Forfeits	85 000
Charges for Service	2 267 375
Intergovernmental Revenue	<u>1 537 130</u>
	19 607 265

SUMMARY: EDUCATION

FY02 ACTUAL	FY03 PROJECTED	PROGRAM EXPENDITURES	FY04 BUDGET
112 563 834	116 562 345	Public School	117 872 457

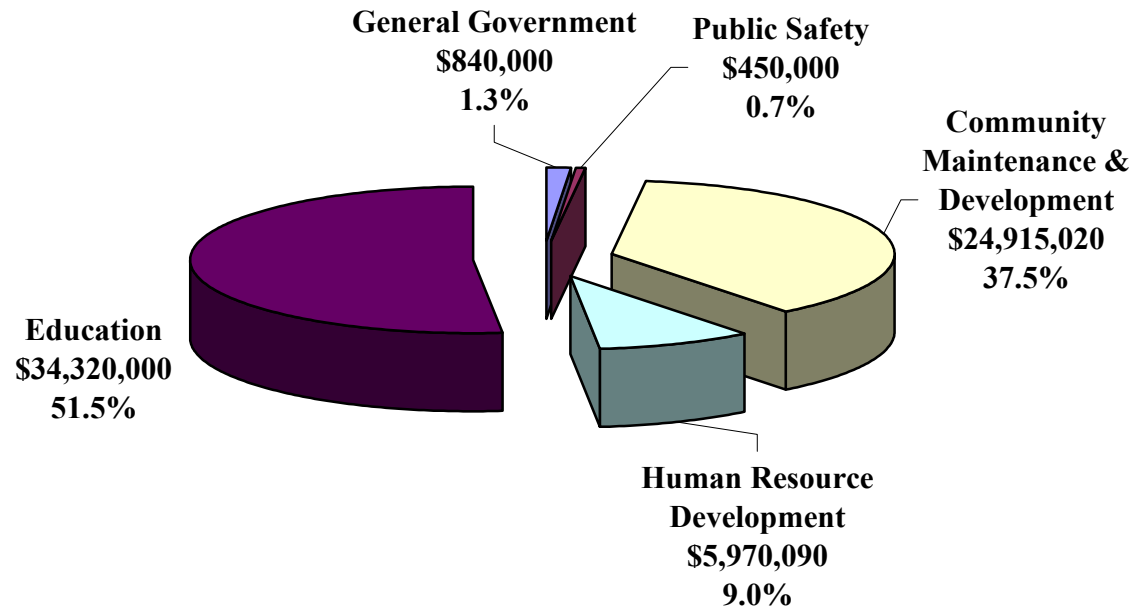
FINANCING PLAN	FY04 BUDGET
Taxes	89 835 300
Fines & Forfeits	100 000
Intergovernmental Revenue	27 637 157
Miscellaneous Revenue	<u>300 000</u>
	117 872 457

SUMMARY: INTERGOVERNMENTAL

FY02 ACTUAL	FY03 PROJECTED	PROGRAM EXPENDITURES	FY04 BUDGET
14 139 115	15 423 215	M.W.R.A.	16 143 130
7 282 821	7 699 910	Cherry Sheet Assessments	7 881 265
<u>6 597 000</u>	<u>6 598 000</u>	Cambridge Health Alliance	<u>6 500 000</u>
28 018 936	29 721 125		30 524 395

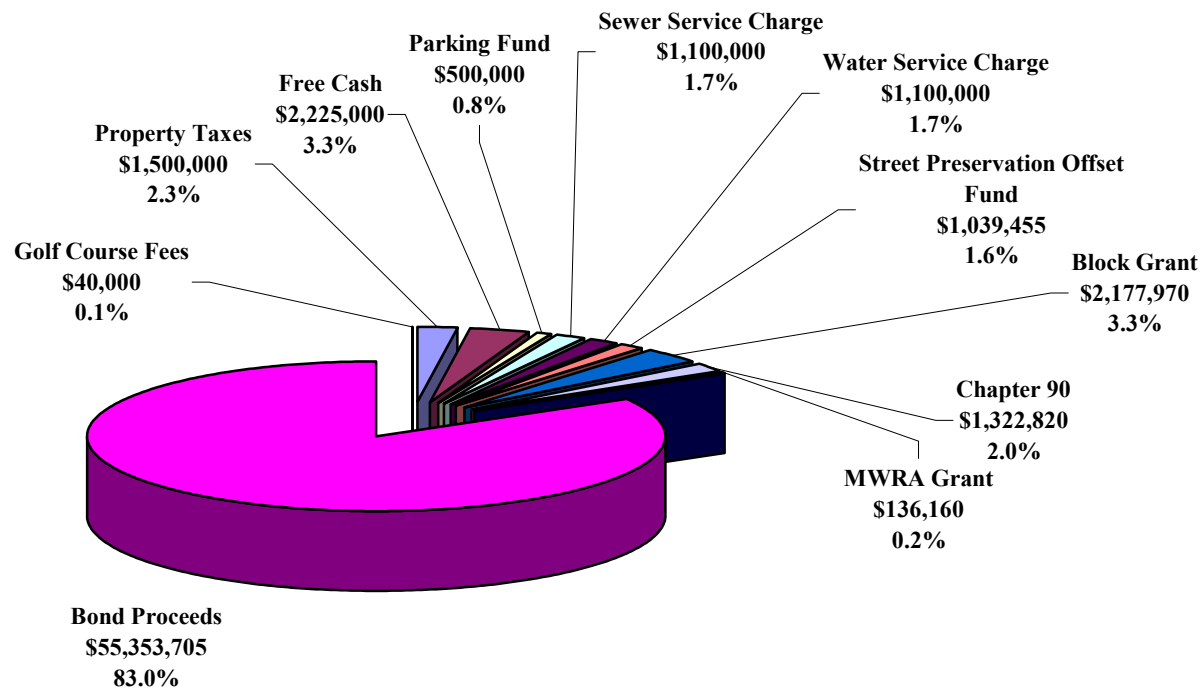
FINANCING PLAN	FY04 BUDGET
Taxes	13 935 325
Charges for Service	<u>16 589 070</u>
	30 524 395

PUBLIC INVESTMENT APPROPRIATIONS FISCAL YEAR 2004



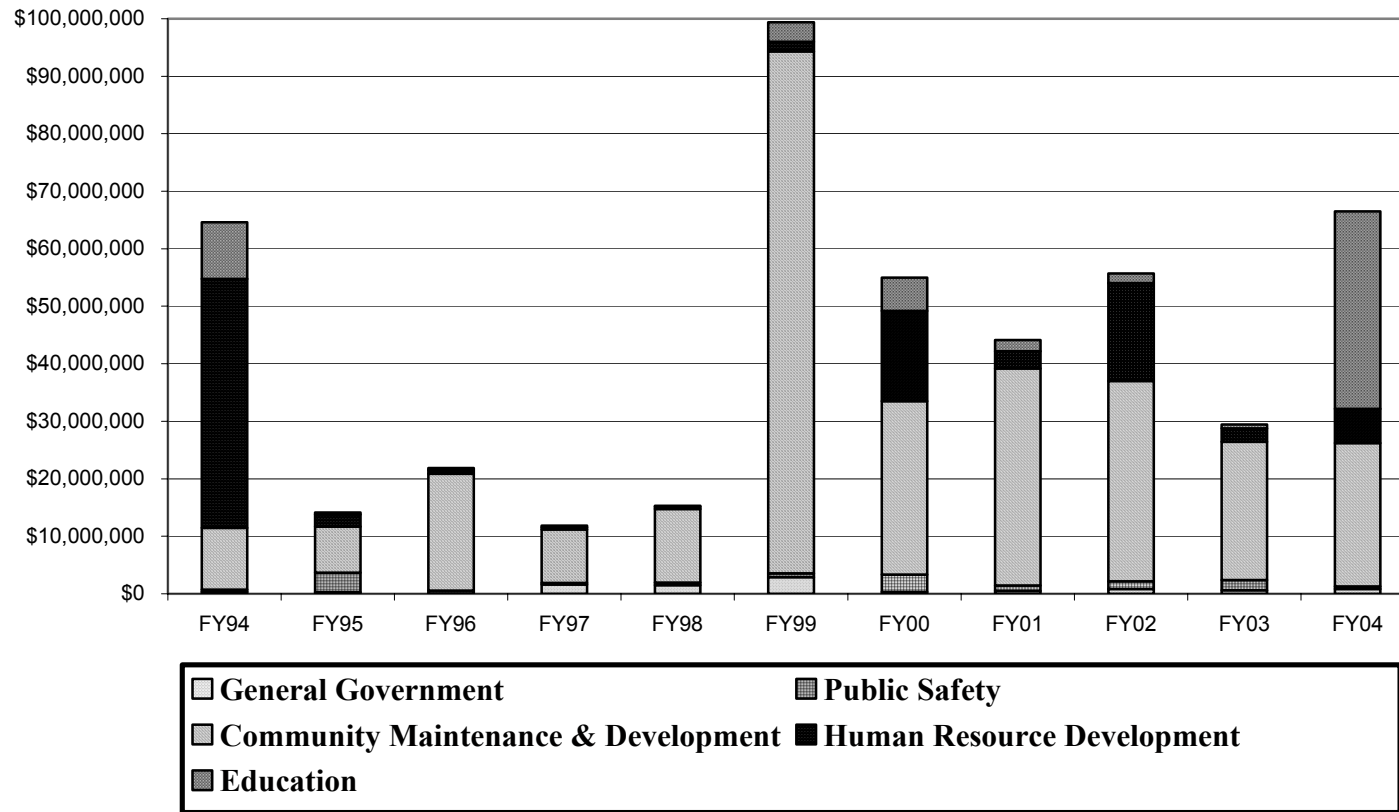
GRAND TOTAL \$66,495,110

PUBLIC INVESTMENT FINANCING PLAN FISCAL YEAR 2004



GRAND TOTAL \$66,495,110

PUBLIC INVESTMENT APPROPRIATIONS FISCAL YEARS 1994-2004



INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2003

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the General Fund of the City of Cambridge.

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATION	STATE ASSESS- MENT	GRAND TOTAL
GENERAL GOVERNMENT								
	Mayor	298 935	111 440	20 500		430 875		430 875
	Executive	860 220	396 500	29 965		1 286 685		1 286 685
	City Council	847 560	41 900	38 000		927 460		927 460
	City Clerk	611 400	59 780	750		671 930		671 930
	Law	950 645	509 225	259 675		1 719 545		1 719 545
	Finance	5 905 095	2 088 860	175 980	77 800	8 247 735		8 247 735
	Employee Benefits	17 414 615	681 740			18 096 355		18 096 355
	General Services	364 975	592 555			957 530		957 530
	Election	485 035	252 430	2 270		739 735		739 735
	Public Celebrations	369 100	289 800	1 125		660 025		660 025
	Reserve		37 500			37 500		37 500
	TOTAL	28 107 580	5 061 730	528 265	77 800	33 775 375		33 775 375
PUBLIC SAFETY								
	Animal Commission	203 915	12 595	120		216 630		216 630
	Fire	26 747 890	618 490	331 750	95 000	27 793 130		27 793 130
	Police	28 703 385	795 555	176 500	290 500	29 965 940		29 965 940
	Traffic, Parking & Transportation	4 668 305	2 873 640	19 400	75 000	7 636 345		7 636 345
	Police Review & Advisory Board	63 740	8 550	3 000		75 290		75 290
	Inspectional Services	2 027 060	107 100	51 825		2 185 985		2 185 985
	License	615 085	61 090	8 800		684 975		684 975
	Weights & Measures	84 890	7 780	1 745		94 415		94 415
	Electrical	920 860	1 440 580	1 670		2 363 110		2 363 110
	Emergency Management	116 130	13 635	100		129 865		129 865
	Emergency Communications	2 759 450	166 010	15 850	4 000	2 945 310		2 945 310
	TOTAL	66 910 710	6 105 025	610 760	464 500	74 090 995		74 090 995

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATION	STATE ASSESS- MENT	GRAND TOTAL
COMMUNITY MAINTENANCE AND DEVELOPMENT								
	Public Works	13 289 370	7 651 905	100 625	535 000	21 576 900		21 576 900
	Community Development	3 484 615	623 040	35 200	132 870	4 275 725		4 275 725
	Historical Commission	350 760	69 880	800		421 440		421 440
	Conservation Commission	83 175	3 865	885		87 925		87 925
	Peace Commission	60 750	11 280	1 350		73 380		73 380
	Cable T.V.	350 990	588 315	3 450		942 755		942 755
	Debt Service		216 000		21 246 815	21 462 815		21 462 815
	TOTAL	<u>17 619 660</u>	<u>9 164 285</u>	<u>142 310</u>	<u>21 914 685</u>	<u>48 840 940</u>		<u>48 840 940</u>
HUMAN RESOURCE DEVELOPMENT								
	Library	4 134 225	930 045	36 650		5 100 920		5 100 920
	Human Services	11 177 435	2 452 000	65 450	25 000	13 719 885		13 719 885
	Women's Commission	138 000	9 860	1 000		148 860		148 860
	Human Rights Commission	147 385	2 825	1 930		152 140		152 140
	Veterans	<u>230 360</u>	<u>49 300</u>	<u>205 800</u>		<u>485 460</u>		<u>485 460</u>
	TOTAL	<u>15 827 405</u>	<u>3 444 030</u>	<u>310 830</u>	<u>25 000</u>	<u>19 607 265</u>		<u>19 607 265</u>
	CITY TOTAL	128 465 355	23 775 070	1 592 165	22 481 985	176 314 575		176 314 575
EDUCATION								
	Schools Operating	<u>82 590 736</u>	<u>26 342 715</u>	<u>537 962</u>	<u>8 401 044</u>	<u>117 872 457</u>		<u>117 872 457</u>
	TOTAL	82 590 736	26 342 715	537 962	8 401 044	117 872 457		117 872 457
INTERGOVERNMENTAL								
	Massachusetts Water Resources Authority		16 143 130			16 143 130		16 143 130
	Cherry Sheet Assessments						7 881 265	7 881 265
	Cambridge Health Alliance		<u>6 500 000</u>			<u>6 500 000</u>		<u>6 500 000</u>
	TOTAL		<u>22 643 130</u>			<u>22 643 130</u>	<u>7 881 265</u>	<u>30 524 395</u>
	GRAND TOTALS	211 056 091	72 760 915	2 130 127	30 883 029	316 830 162	7 881 265	324 711 427

BE IT FURTHER ORDERED: That the city appropriations and state assessments in the General Fund are to be financed by estimated revenues drawn from the following sources:

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	CHARGES FOR SERVICE	INTER- GOVERN- MENTAL REVENUE	MISCELL- ANEOUS REVENUE	GRAND TOTAL
	Mayor	398 875				32 000		430 875
	Executive	942 820		180 000		163 865		1 286 685
	City Council	913 350				14 110		927 460
	City Clerk	522 330	14 000		116 300	19 300		671 930
	Law	1 569 545	2 500	97 500		50 000		1 719 545
	Finance	5 703 150			438 950	605 635	1 500 000	8 247 735
	Employee Benefits	7 926 935			85 000	6 074 420	4 010 000	18 096 355
	General Services	858 705		4 000		94 825		957 530
	Election	644 010			2 000	93 725		739 735
	Public Celebrations	617 445	15 000			27 580		660 025
	Reserve	37 500						37 500
	TOTAL GENERAL GOVT.	20 134 665	31 500	281 500	642 250	7 175 460	5 510 000	33 775 375
	Animal Commission	204 030	7 800	2 300	1 500		1 000	216 630
	Fire	27 396 130	30 000	12 000	355 000			27 793 130
	Police	21 620 330	94 500	2 487 285	1 986 760	2 275 065	1 502 000	29 965 940
	Traffic, Parking & Transportation		127 500	4 789 190	2 658 910		60 745	7 636 345
	Police Review & Advisory Board	75 290						75 290
	Inspectional Services	(1 332 015)	3 436 000		82 000			2 185 985
	License	(1 060 885)	1 693 560		25 300	27 000		684 975
	Weights & Measures	49 990			26 500	17 925		94 415
	Electrical	1 857 245			285 000	207 865	13 000	2 363 110
	Emergency Management	46 440				83 425		129 865
	Emergency Communications	2 945 310						2 945 310
	TOTAL PUBLIC SAFETY	51 801 865	5 389 360	7 290 775	5 420 970	2 611 280	1 576 745	74 090 995

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	CHARGES FOR SERVICE	INTER GOVERN- MENTAL REVENUE	MISCELL- ANEOUS REVENUE	GRAND TOTAL
	Public Works	16 113 520	85 000		2 963 440	2 281 130	133 810	21 576 900
	Community Development	2 663 115	20 000		225 000	1 090 715	276 895	4 275 725
	Historical Commission	408 940				5 000	7 500	421 440
	Conservation Commission	71 925			16 000			87 925
	Peace Commission	49 930				23 450		73 380
	Cable T.V.	22 665			919 940		150	942 755
	Debt Service	<u>8 523 810</u>		<u>171 875</u>	<u>7 875 515</u>	<u>4 846 140</u>	<u>45 475</u>	<u>21 462 815</u>
	TOTAL COMMUNITY MAINTENANCE & DEV.	27 853 905	105 000	171 875	11 999 895	8 246 435	463 830	48 840 940
	Library	4 592 270		85 000	1 500	422 150		5 100 920
	Human Services	10 547 245			2 265 875	906 765		13 719 885
	Women's Commission	138 900				9 960		148 860
	Human Rights Commission	152 140						152 140
	Veterans	<u>287 205</u>				<u>198 255</u>		<u>485 460</u>
	TOTAL HUMAN RESOURCE DEVELOPMENT	15 717 760		85 000	2 267 375	1 537 130		19 607 265
	CITY TOTAL	115 508 195	5 525 860	7 829 150	20 330 490	19 570 305	7 550 575	176 314 575
EDUCATION								
	Schools Operating	<u>89 835 300</u>		<u>100 000</u>		<u>27 637 157</u>	<u>300 000</u>	<u>117 872 457</u>
	SCHOOL TOTAL	89 835 300		100 000		27 637 157	300 000	117 872 457
INTERGOVERNMENTAL								
	Massachusetts Water Resources Authority				16 143 130			16 143 130
	Cherry Sheet Assessments	7 435 325			445 940			7 881 265
	Cambridge Health Alliance	<u>6 500 000</u>						<u>6 500 000</u>
	TOTAL INTERGOVERN.	13 935 325			16 589 070			30 524 395
	GRAND TOTALS	219 278 820	5 525 860	7 929 150	36 919 560	47 207 462	7 850 575	324 711 427

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2003

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the Water Fund of the City of Cambridge.

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATION	STATE ASSESS- MENT	GRAND TOTAL
COMMUNITY MAINTENANCE & DEVELOPMENT	Water	4 678 315	2 980 225	23 255	9 077 860	16 759 655		16 759 655

BE IT FURTHER ORDERED: That the city appropriations in the Water Fund are to be financed by estimated revenues drawn from the following sources:

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	CHARGES FOR SERVICE	INTER- GOVERN- MENTAL REVENUE	MISCELL- ANEOUS REVENUE	GRAND TOTAL
COMMUNITY MAINTENANCE & DEVELOPMENT	Water				15 538 855	1 220 800		16 759 655

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2003

ORDERED: That the following sums are hereby appropriated in the Public Investment Fund of the City of Cambridge.

FUNCTION	PROJECT	APPROPRIATIONS	FUNCTION	PROJECT	APPROPRIATIONS
GENERAL GOVERNMENT			COMMUNITY MAINT. & DEV. (cont.)		
	Acquisition of Personal Computers	100 000		Cambridgeport Roadway Design	60 000
	Technology Upgrades	665 000		Concord/Alewife Planning Study	125 000
	Implementation of GASB 34 (Phase 2)	<u>75 000</u>		Lafayette Square/Mass. Ave. Reconstruction	25 000
		840 000		Records Management Facilities Study	25 000
PUBLIC SAFETY				Employment Program Fund	350 000
	Fire Vehicles/Equipment	300 000		Housing Rehab & Development	1 682 880
	Fire Station Renovations	50 000		Neighborhood Business Development	50 000
	Police Equipment/Renovations	<u>100 000</u>		Public Art Conservation	<u>35 000</u>
		450 000			8 431 315
COMMUNITY MAINTENANCE & DEV.			HUMAN RESOURCE DEVELOPMENT		
	Public Building Renovations	230 000		Parks & Recreation	670 090
	Streets/Sidewalks Reconstruction	2 362 275		Accessibility Improvements	<u>50 000</u>
	Park and Cemetery Tree Pruning	125 000			720 090
	Parking Improvements	500 000	EDUCATION		
	Water System Improvements	1 100 000		School Equipment/Renovations	<u>700 000</u>
	Sewer Reconstruction	1 236 160			700 000
	Traffic Calming Design/Construction	525 000			
				TOTAL	11 141 405

BE IT FURTHER ORDERED: That the above appropriations are to be financed from the following sources:

FINANCING PLAN CLASSIFICATION	REVENUE	FINANCING PLAN CLASSIFICATIONS	REVENUE
Property Taxes	1 500 000	Street Preservation Offset Fund	1 039 455
Free Cash	2 225 000	Block Grant	2 177 970
Parking Fund	500 000	Chapter 90	1 322 820
Sewer Service Charge	1 100 000	MWRA Grant	136 160
Water Service Charge	1 100 000	Golf Course Fees	<u>40 000</u>
			11 141 405

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2003

ORDERED: That the following sum is hereby appropriated in the Stabilization Fund in the City of Cambridge.

FUNCTION

**COMMUNITY MAINTENANCE
& DEVELOPMENT**

Stabilization Fund	1 000 000
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BE IT FURTHER ORDERED: That the above appropriation is financed from the following sources:

**FINANCING PLAN
CALSSIFICATION**

Property Taxes	1 000 000
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